

United States Bankruptcy Court
Western District of Michigan
One Division Ave., NW
Room 200
Grand Rapids, MI 49503

IN RE: Debtor(s) (name(s) used by the debtor(s) in the last 8 years, including married, maiden, trade, and address):

Lozarth Ventures, Inc.
22575 North Bedford Rd
Battle Creek, MI 49017
Tax ID: 38-3567602

Debtor(s)

Case Number 04-15212-jrh

Chapter 7

Honorable Jeffrey R. Hughes

NOTICE OF HEARING
TRUSTEE'S MOTION TO SELL PERSONAL PROPERTY (EQUIPMENT AND
LIQUOR LICENSES AND PERMITS)

The above motion has been filed with the Bankruptcy Court. Your rights may be affected. **You should read these papers carefully and discuss them with your attorney. (If you do not have an attorney, you may wish to consult one.)**

If you want the court to consider your views on this matter, attend the hearing scheduled to be held before the Hon. Jeffrey R. Hughes on July 6, 2006 at 12:30 pm at Room 114, US Courthouse and Federal Bldg., 410 W. Michigan Ave. Kalamazoo, MI

You or your attorney may wish to file a response explaining your position. Such response should be received at least three business days prior to the scheduled hearing. A copy should also be served upon the party who has filed the motion to his/her attorney. **Please refer to Administrative Order 2004-06 (Mandatory Electronic Filing), effective January 1, 2005, for practices and procedures for filing pleadings with the Court.**

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief.

PLEASE NOTE: NOTICE IS HEREBY GIVEN that the court may, in its discretion, orally continue or adjourn the above hearing on the record in open court. If this occurs, parties in interest will not be given further written notice of the continued or adjourned hearing. If an entity is not present at the originally scheduled hearing, information regarding the time, date and place of an orally continued or adjourned hearing may be obtained at the Clerk's office from the court files or docket.

This Notice has been returned to Timothy Hillegonds. It is Timothy Hillegonds (s'/s) responsibility to ensure that service of this Notice and the referenced Motion is made upon the appropriate parties not less than twenty (20) days prior to the date of hearing. (sc)



DANIEL M. LAVILLE
CLERK OF BANKRUPTCY COURT

Dated: June 2, 2006

/S/ _____
Shelli Combs
Deputy Clerk

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN

IN RE:

LOZARTH VENTURES, INC.,

Debtor.

Case No. 04-15212 jrh

Chapter 7

Honorable Jeffrey R. Hughes

Chapter 11 Filed: 12/15/04

Converted to Chapter 7: 02/03/06

MOTION TO SELL PERSONAL PROPERTY
(EQUIPMENT AND LIQUOR LICENSES AND PERMITS)

NOW COMES Thomas R. Tibble, Chapter 7 Trustee (the “**Trustee**”), through his attorneys, and moves the Court as follows:

1. Debtor filed its Chapter 11 petition on December 15, 2004. The Chapter 11 case was converted to a Chapter 7 case on February 3, 2006.
2. The Trustee is the duly appointed and qualified Chapter 7 trustee in this case.
3. The assets of the bankruptcy estate being administered by the Trustee include the equipment described on attached **Exhibit A** (the “**Equipment**”) and the Class C and SDM liquor licenses and permits issued by the Michigan Liquor Control Commission to Debtor (the “**Licenses and Permits**”).
4. The Trustee has entered into an Asset Purchase Agreement dated May 24, 2006 (the “**Purchase Agreement**”) with Bedford Road Restaurant, Inc., a Michigan corporation, of 11495 Fair Lake Drive, Delton, Michigan 49046 (the “**Buyer**”) for the sale of the Equipment and Licenses and Permits. See attached **Exhibit B**.
5. The purchase price for the Equipment and the Licenses and Permits is \$10,000.00, plus assumption of certain liabilities of the Debtor as described in the Purchase Agreement (the “**Purchase Price**”).
6. The cash portion of the Purchase Price is payable in full at closing of the sale and purchase.
7. The Trustee believes that the Purchase Price is the fair market value of the Equipment and Licenses and Permits based upon a market analysis obtained by the Trustee.

8. There is no broker involved in this sale, and no commission is payable to any person or entity on account of the sale.

9. The Buyer is disinterested, except that the Buyer does hold a lien on the Equipment and the Licenses and Permits.

10. To the best of the Trustee's knowledge, the following are the only outstanding interests in the Equipment and Licenses and Permits:

(a) Personal property taxes and assessments.

(b) Security interest of National City Bank of the Midwest, formerly known as National City Bank of Michigan/Illinois, which security interest is now held by the Buyer.

(c) Federal tax lien held by the Department of Treasury-Internal Revenue Service.

(d) State tax lien held by the Michigan Unemployment Insurance Agency.

(e) State tax lien held by the Michigan Department of Treasury.

11. The Trustee requests that the Court approve sale of the Equipment and Licenses and Permits pursuant to the terms of the Purchase Agreement, subject to the following conditions:

(a) The Trustee is agreeing to the provisions of the Purchase Agreement solely as trustee in this bankruptcy case, and not individually.

(b) Sale of the Equipment and Licenses and Permits shall be made on an "**AS IS, WHERE IS**" basis as of the date of closing of the sale, without representation or warranty, express or implied of any kind, nature, or description, including without limitation any warranty by description or of merchantability, habitability, usability, or of fitness for any purpose. The Trustee shall not be required to inspect or test or report on the condition of the Equipment and Licenses and Permits, or the operability of the Equipment and Licenses and Permits, or the existence of any defects in the Equipment and Licenses and Permits.

(c) The sale will be subject to the right of any other qualified bidder to submit a higher and better bid at the hearing on approval of the sale to the Buyer. As a condition to acceptance of a competing bid, the bidder must deposit with the Trustee a non-refundable earnest money deposit of \$2,500 in certified funds. Any person interested in submitting a higher and better bid may attend the hearing on approval of the sale to the Buyer, at which time all other bids will be received.

The Trustee reserves the right to recommend confirmation by the Court of the bid determined by the Trustee to be the highest and best bid.

(d) Any competing bid must be on the same or better terms and conditions of the Purchase Agreement. Any competing bidder will be required to execute (upon entry of an order approving any sale to such bidder) an agreement in substantially the form of the Purchase Agreement.

(e) Any competing bid for the Equipment and Licenses and Permits must be for at least \$500 more than the prior competing bid.

(f) It is preferable, but not required, that written financing commitments accompany any competing offer for which financing is required. At a minimum, any competing bidder must provide sufficient information to assure the Trustee that the competing bidder is qualified to bid.

(g) The Trustee may accept one or more back-up offers. The Trustee shall have no obligation to close a back-up offer accepted by him unless the Equipment and Licenses and Permits are not sold pursuant to the previous offer or offers.

(h) The Trustee assumes no obligation to inspect, test or report on the condition of the Equipment and Licenses and Permits or the usability of the Equipment and Licenses and Permits or the existence of any possible defect in the Equipment and Licenses and Permits.

(i) Any person who desires additional information regarding the Equipment and Licenses and Permits offered for sale should contact either:

Thomas R. Tibble, Bankruptcy Trustee
2813 West Main Street
Kalamazoo, Michigan 49006
Email: tomtib@aol.com
Fax: (269) 342-9482, or

Timothy Hillegonds
Warner, Norcross & Judd, LLP
900 Fifth Third Center, 111 Lyon Street N.W.
Grand Rapids, Michigan 49503
Email: thillegonds@wnj.com
Fax: (616) 222-2132

(j) The Trustee requests that he be authorized to pay and disburse funds to facilitate closing and the transfer of the Equipment and Licenses and Permits to the successful bidder.

(k) The Trustee shall have the right to refuse to recommend confirmation of any bid which does not conform to the provisions of this Motion.

(l) The Trustee will not agree to pay any breakup fee to an unsuccessful bidder or to reimburse any unsuccessful bidder for costs and expenses incurred in connection with developing an offer to purchase the Equipment and Licenses and Permits.

(m) The proceeds from the sale received by the Trustee shall be applied first to payment of all expenses of administration in this bankruptcy (the “**Carve Out**”). The balance of the proceeds shall be paid to creditors having a lien on the Equipment and the Licenses and Permits (other than Buyer). Any remaining balance after payment of such liens shall be distributed in accordance with 11 USC §726.

(n) Pursuant to 11 USC §363(f), the Equipment and Licenses and Permits shall be sold free and clear of liens, claims and interests, whether liquidated or contingent. Such liens, claims and interests shall attach to the sale proceeds other than the Carve Out, and shall have the same validity, perfection, priority and enforceability as such liens had with respect to the Equipment and Licenses and Permits immediately before the sale.

(o) The Trustee requests that the order of this Court confirming the sale take immediate effect, and that the ten (10) day stay provided by Fed. R. Bankr. P. 6004(g) not apply so that the sale may close immediately following entry of the order.

12. The Trustee believes that it is in the best interest of this estate that he be authorized to sell the Equipment and Licenses and Permits upon the terms and conditions set forth above.

WHEREFORE, the Trustee requests that this Court authorize sale of the Equipment and Licenses and Permits on the terms of this Motion, and grant the Trustee such other, further or different relief as is just and equitable.

WARNER NORCROSS & JUDD LLP
Attorneys for Trustee

Dated: May 31, 2006

By: /s/ Timothy Hillegonds
Timothy Hillegonds (P25555)
900 Fifth Third Center, 111 Lyon St NW
Grand Rapids, MI 49503
(616) 752-2132

EXHIBIT A

Stafford's

RESTAURANT EQUIPMENT

Appraisal for equipment (known as Bodford Steakhouse)
22575 Bedford road
Battle Creek, MI 49017

- | | |
|---|---------------------------|
| 1. Ice Maker and ice Bin | 37. 3 large patio tables |
| 2. 2 - gas fryer's | 38. 16 patio chairs |
| 3. 42 Bar Stool's | 39. 20 vinyl table cloths |
| 4. 65 Chair's | 40. Coffee maker |
| 5. 1 Oasis machine | 41. 7 televisions |
| 6. 1/2 size cook and hold oven | 42. 1 big screen |
| 7. 8' x 16' x 8' walk-in cooler feeding back bar | 43. 4 banquet tables |
| 8. 8' x 8' x 8' walk - in freezer | 44. 8 hanging lamps |
| 9. 8' x 8' x 8' walk-in cooler | |
| 10. 48" refrigerated prep table (not to code of NFS 7) | |
| 11. 27" refrigerated prep table | |
| 12. Blodgett convection oven | |
| 13. 4 hole steam table | |
| 14. Char broiler 30" | |
| 15. 30" x 48" grill | |
| 16. Counter top 2 burner hot plate | |
| 17. 12" slicer | |
| 18. Single keg cooler | |
| 19. 2 cash register | |
| 20. 2 microwave | |
| 21. 1 over shelf | |
| 22. 1 lot misc. Pot's, pan's, dishes, utensil's and glasses | |
| 23. 30" cocktail station | |
| 24. 24" cocktail station | |
| 25. 8' 3 well sink | |
| 26. 40' front bar | |
| 27. 16' refrigerated back bar | |
| 28. 12 - 30" x 48" tables | |
| 29. Ice tea machine | |
| 30. 4 wire shelves | |
| 31. 30" x 96" stainless steel table with galvanized leg's | |
| 32. 30" x 72" stainless steel table with galvanized leg's | |
| 33. 30" x 48" stainless steel table with galvanized leg's | |
| 34. Single door glass front cooler | |
| 35. 24" x 48" wire shelf. | |
| 36. Exhaust hood ventilation | |

EXHIBIT B

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "**Agreement**") is made and entered into as of May 24, 2006, by and between **THOMAS R. TIBBLE**, Chapter 7 Trustee in the matter of *Loarth Ventures, Inc.*, debtor, case number 04-15212 jrh, United States Bankruptcy Court for the Western District of Michigan, and not individually ("**Seller**"), and **BEDFORD ROAD RESTAURANT, INC.**, a Michigan corporation, of 11495 Fair Lake Drive, Delton, Michigan 49046 ("**Purchaser**").

FACTS

A. Seller is the Chapter 7 Trustee in the *Loarth Ventures, Inc.*, Chapter 7 bankruptcy proceeding now pending in the United States Bankruptcy Court for the Western District of Michigan, case number 04-15212 jrh (the "**Bankruptcy**").

B. The Bankruptcy estate contains certain assets of Loarth Ventures, Inc. ("**Debtor**") that Seller desires to sell and Purchaser desires to purchase.

AGREEMENTS

Seller and Purchaser agree that the above facts are accurate, and further agree as follows:

ARTICLE I PURCHASE AND SALE OF ASSETS

1.1 **Agreement to Purchase and Sell.** At the Closing, Seller shall sell, assign, convey, transfer, set over and deliver to Purchaser, the following assets that are assets of the bankruptcy estate of Debtor (the "**Purchased Assets**").

(a) the equipment described on attached **Exhibit A** (the "**Equipment**"); and

(b) the Class C and SDM liquor licenses and permits (the "**Licenses and Permits**") issued by the Michigan Liquor Control Commission (the "**MLCC**") to Loarth Ventures, Inc., d/b/a/ Bedford Steak House.

1.2 **Excluded Assets.** The Equipment and the Licenses and Permits comprise all of the Purchased Assets.

1.3 **Inventory.** There is no inventory of foods, soft drinks, and other trade inventory (including but not limited to alcoholic beverage inventory) in the bankruptcy estate or part of the

Purchased Assets.

ARTICLE II LIABILITIES

2.1 General Nonassumption of Liabilities. Purchaser shall not assume and does not agree to assume any obligations, duties or liabilities of Debtor or any third person or entity affiliated with Debtor of any nature whatsoever, whether accrued, absolute, contingent, known, unknown or otherwise, with the exception of the Assumed Liabilities (see below). Purchaser will not be responsible for any income, sales, use, excise or other tax that arises out of or results from the sale of the Purchased Assets, the operation of the Purchased Assets prior to the Closing or any other transaction or activity of Debtor.

2.2 Assumed Liabilities. Purchaser does agree to assume the indebtedness of Debtor to National City Bank of the Midwest, formerly known as National City Bank of Michigan/Illinois ("Bank") which indebtedness and all of the documents, instruments and agreements evidencing such indebtedness have been assigned by the Bank to Purchaser (the "Assumed Liabilities"). Purchaser waives and releases any claims for recovery of the Assumed Liabilities in the Bankruptcy, and agrees not to file a proof of claim seeking recovery of the Assumed Liabilities in the Bankruptcy. Purchaser represents that the Assumed Liabilities were \$24,297.91 as of May 13, 2005, and that interest has accrued from that date at the rate of 6.75% per annum.

2.3 Delivery Free of Encumbrances. Seller shall deliver title to the Purchased Assets free and clear of all liens, security interests and other encumbrances, other than the Assumed Liabilities.

ARTICLE III PURCHASE PRICE AND MANNER OF PAYMENT

3.1 Purchase Price. As consideration for the Purchased Assets, Purchaser shall pay to Seller at Closing the amount of \$10,000 plus assumption of the Assumed Liabilities (the "Purchase Price"). The Purchase Price (net of the Assumed Liabilities) shall be allocated \$2,000 for the Equipment, and \$8,000 for the Licenses and Permits. If required by the MLCC, the Purchase Price (including the Assumed Liabilities) will be allocated 20% to the Equipment and 80% to the Licenses and Permits.

3.2 Personal Property Taxes. Purchaser shall assume and pay any personal property taxes levied or assessed against the Purchased Assets, whether prior to or after the Closing.

3.3 Deposit. On the date of execution and delivery of this Agreement by both Seller and Purchaser, Purchaser shall deliver to Seller an earnest money deposit of \$2,500.00 (the "Deposit"). The Deposit shall be applied to the Purchase Price at Closing if not returned to Purchaser in the event Purchaser is not the successful bidder at the auction (see Section 6.4

below) or if the Purchaser terminates this Agreement because any one of the conditions to closing has not been satisfied (see Article V below). Seller may retain the Deposit if Seller terminates this Agreement pursuant to *Section 8.4(b) or (c)* below.

ARTICLE IV CONDUCT OF BUSINESS; CONDITION OF PURCHASED ASSETS

4.1 Conduct of Business. Seller is not operating the business formerly conducted by the Debtor, and has no authority to operate that business.

4.2 Purchaser's Access. From the date of this Agreement through the Closing, Seller shall permit Purchaser and its representatives to inspect the Purchased Assets.

4.3 Condition at Closing. PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER AND ITS REPRESENTATIVES HAVE THE EXPERIENCE AND KNOWLEDGE TO EVALUATE THE PURCHASED ASSETS; THAT PURCHASER AND ITS REPRESENTATIVES, BEFORE THE CLOSING, SHALL HAVE HAD ACCESS TO SUCH OF THE PURCHASED ASSETS AS PURCHASER AND ITS REPRESENTATIVES SHALL HAVE REQUESTED TO INSPECT; AND, THAT, IN DETERMINING TO ACQUIRE THE PURCHASED ASSETS, PURCHASER HAS MADE ITS OWN INVESTIGATION INTO THE PURCHASED ASSETS, AND BASED ON THAT INVESTIGATION PURCHASER HAS MADE ITS OWN INDEPENDENT JUDGMENT CONCERNING THE PURCHASED ASSETS. PURCHASER ACCEPTS THE CONDITION OF THE PURCHASED ASSETS "AS IS, WHERE IS" WITHOUT ANY REPRESENTATION, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE AS TO THE CONDITION, SIZE, EXTENT, QUANTITY, TYPE OR VALUE OF SUCH PROPERTY, AND SELLER EXPRESSLY DISCLAIMS ANY AND ALL SUCH REPRESENTATIONS, WARRANTIES OR GUARANTEES.

ARTICLE V CONDITIONS TO CLOSING BY PURCHASER

5.1 Conditions Precedent to Purchaser's Obligations. Purchaser's obligation to consummate the transactions contemplated by this Agreement is subject to the fulfillment (or waiver by Purchaser) before or at the Closing of each of the conditions of this Article V.

5.2 Performance of Covenants. The Seller shall have in all respects performed and complied with all covenants, agreements, and conditions that this Agreement and all related documents require to be performed or complied with before or on the Closing.

5.3 Instruments of Transfer. Seller shall have delivered or caused to be delivered to Purchaser all bills of sale, general instruments of transfer, conveyances, and assignments which

are necessary to convey to Purchaser title to the Purchased Assets. Seller will make no representations or warranties in any of those instruments or documents.

5.4 No Litigation. No action, suit, proceeding, or investigation shall have been instituted before any court or governmental body, or instituted by any governmental agency, (a) to restrain or prevent the carrying out of the transactions contemplated by this Agreement, or (b) that might affect Purchaser's right to own, operate, and control the Purchased Assets after the Closing.

5.5 Consents. Purchaser shall have obtained all consents from the MLCC necessary to transfer the Licenses and Permits to Purchaser, and shall pay all costs to transfer the Licenses and Permits to Purchaser (including but not limited to all fees and other amounts due or payable to the MLCC)..

ARTICLE VI CONDITIONS TO CLOSING BY SELLER

6.1. Conditions Precedent to Seller's Obligations. Seller's obligation to consummate the transactions contemplated by this Agreement are subject to the fulfillment of each of the conditions set out in this Article VI.

6.2 Performance of Covenants. Prior to and at the Closing, Purchaser shall have in all respects performed and complied with its obligations under all the covenants, agreements, and conditions that this Agreement and all related documents require.

6.3 Consents. Purchaser shall have obtained all consents from the MLCC necessary to transfer the Licenses and Permits to Purchaser, and shall pay all costs to transfer the Licenses and Permits to Purchaser (including but not limited to all fees and other amounts due or payable to the MLCC)..

6.4 Bankruptcy Court Approval.

(a) **Motion.** Seller shall promptly file a motion ("Motion") requesting the United States Bankruptcy Court for the Western District of Michigan ("Court") to authorize and approve the contemplated sale of the Purchased Assets pursuant to this Agreement and seeking entry of an appropriate order approving this Agreement and authorizing and directing Seller to close such transactions ("Order"), after notice and hearing to all of Seller's creditors and other parties in interest in the Bankruptcy.

(b) **Auction.** Seller shall also request in the Motion that the Court schedule a public auction with competitive bidding for the Purchased Assets. The transaction proposed in this Agreement shall constitute the initial bid in such auction. Purchaser shall have the opportunity to overbid any higher competing bid at the auction and Seller agrees

that Seller shall not reject Purchaser's bid, unless Purchaser is outbid at the auction. As a condition to the acceptance of any competing bid, Seller will require a non-refundable deposit in the amount of \$2,500, by a cashier's check or bank money order. If Purchaser is outbid at the auction, this Agreement shall automatically terminate, and neither party shall have any further liability to the other except for the return to Purchaser of the Deposit. All competing bids must be for all of the Purchased Assets. Seller will not accept a competing bid for only part of the Purchased Assets.

(c) **Order.** Any provision to the contrary in this Agreement notwithstanding, neither Seller nor Purchaser shall have any obligation to close the transactions contemplated by this Agreement prior to the entry by the Court of the Order. Specifically, the Order shall be in form and substance reasonably acceptable to Seller and Purchaser and shall provide that the Court approves the sale of the Purchased Assets under Section 363(f) of the Bankruptcy Code, free and clear of all Encumbrances. In the event that the Motion as it relates to this Agreement is denied, this Agreement shall terminate upon written notice given by Purchaser to Seller. Seller shall seek to obtain the Order as soon as practicable after the execution of this Agreement by Purchaser.

6.5 Obligation to Sell. Seller shall have no obligation to sell the Purchased Assets to Purchaser unless (a) Seller obtains the Order, and (b) Seller obtains the consent from all persons and entities claiming a lien, security interest or other interest in the Purchased Assets to pay all of the costs of administration in the Bankruptcy out of the Purchase Price or the Order contains a provision permitting the Seller to recover out of the Purchase Price those costs of administration.

ARTICLE VII CLOSING MATTERS

7.1 Closing. The closing of the transactions contemplated in this Agreement (the "Closing") shall take place at the offices of Warner Norcross & Judd LLP, or at such other place as the parties may agree on, within 10 days following fulfillment of all of the conditions set out in Articles V and VI.

7.2 Seller's Deliveries. Seller shall deliver to Purchaser at Closing physical possession of all tangible Purchased Assets, and shall execute (where applicable in recordable form) and/or deliver or cause to be executed and/or delivered to Purchaser all of the following:

- (a) A bill of sale conveying all of the Purchased Assets to Purchaser; and
- (b) A closing statement.

7.3 Purchaser's Deliveries. Purchaser shall deliver to Seller at Closing the following:

(a) Resolution of the board of directors of Purchaser authorizing this Agreement and its terms and conditions; and

(b) The Purchase Price.

7.4 **Further Assurances.** Seller shall cooperate with and assist Purchaser with the transfer of the Purchased Assets under this Agreement and take all other reasonable actions to assure that the Purchased Assets are transferred to Purchaser. From time to time after the Closing, Seller shall, at the request of Purchaser and at Purchaser's cost, execute and deliver such additional conveyances, transfers, documents, instruments, assignments, applications, certifications, papers, and other assurances that Purchaser requests as necessary, appropriate, convenient, useful or desirable to effectively carry out the intent of this Agreement and to transfer the Purchased Assets to Purchaser.

ARTICLE VIII MISCELLANEOUS

8.1 **Trustee.** Seller is agreeing to the provisions of this Agreement solely as Chapter 7 Trustee in the Bankruptcy and not individually.

8.2 **Expenses.** Unless otherwise provided in this Agreement, each of the parties shall pay all of the costs that it incurs incident to the preparation, execution, and delivery of this Agreement and the performance of any related obligations, whether or not the transactions contemplated by this Agreement shall be consummated.

8.3 **Termination.** This Agreement may be terminated at any time before the Closing as follows:

(a) By Purchaser and Seller in a written instrument.

(b) By Purchaser or Seller if there has been a material breach of any of the representations or warranties set forth in this Agreement on the part of the other, and this breach by its nature cannot be cured before the Closing.

(c) By Purchaser or Seller if there has been a breach of any of the covenants or agreements set forth in this Agreement on the part of the other, and this breach is not cured within 10 business days after the breaching party or parties receive written notice of the breach from the other party.

(d) By Seller if Seller is unable to obtain the Order or if any of the other conditions set out in Article VI have not been fulfilled.

(e) By Purchaser if any of the conditions to Closing set out in Article V have

not been fulfilled.

(f) By Purchaser or Seller if the Closing has not occurred by September 1, 2006.

If terminated as provided above, this Agreement shall be void and have no effect. Seller and Purchaser reserve all claims between them if termination of this Agreement is for the reasons specified in (b) or (c) above.

8.4 Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed given (a) when personally delivered or sent by facsimile transmission or sent by email to the party to be given the notice or other communication or (b) on the business day following the day such notice or other communication is sent by overnight courier to the following:

(a) Seller:

Thomas R. Tibble, Bankruptcy Trustee
2813 West Main Street
Kalamazoo, Michigan 49006
Email: tomtib@aol.com
Fax: (269) 342-9482

With a copy to:

Timothy Hillegonds
Warner, Norcross & Judd, LLP
900 Fifth Third Center, 111 Lyon Street N.W.
Grand Rapids, Michigan 49503
Email: thillegonds@wnj.com
Fax: (616) 222-2132

(b) Purchaser:

Bedford Road Restaurants, Inc.
11495 Fair Lake Dr
Delton, Michigan 49046
Email: _____
Fax: _____

With a copy to:

Nelson Karre
Vandervoort, Christ & Fisher, P.C.

67 West Michigan Avenue
Fifth Third Bank Building, Suite 312
Battle Creek, Michigan 49017-3668
Email: nkarre@vandervoortlaw.com
Fax: (269) 965-7000

or to such other address, facsimile number or email that the parties may designate by notice as provided above.

8.5 Assignment. Neither the Seller nor Purchaser shall assign this Agreement, or any interest in it, without the prior written consent of the other.

8.6 Parties in Interest. This Agreement shall inure to the benefit of, and be binding on, the named parties and their respective successors and permitted assigns, but not any other person.

8.7 Choice of Law. This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Michigan, except to the extent federal law controls.

8.8 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signature on each counterpart were on the same instrument.

8.9 Entire Agreement. This Agreement and all related documents, schedules, exhibits, or certificates represent the entire understanding and agreement between the parties with respect to the subject matter and supersede all prior agreements or negotiations between the parties. This Agreement may be amended, supplemented, or changed only by an agreement in writing that makes specific reference to this Agreement or the agreement delivered pursuant to it and that is signed by the party against whom enforcement of any such amendment, supplement, or modification is sought. Unless otherwise expressly provided, the word "including" whenever used in this Agreement does not limit the preceding words or terms.

8.10 Survival. The provisions of this Agreement shall survive the Closing and shall continue in effect indefinitely.

The parties have executed this Agreement on the date set forth on the first page of this Agreement.

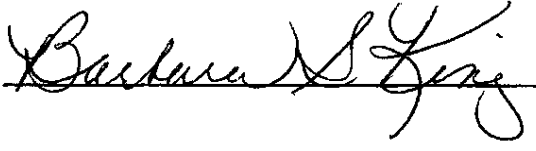
(Signature page follows.)

SELLER:

Thomas R. Tibble, Chapter 7 Trustee in the
matter of Lozarth Ventures, Inc., debtor, case
number 04-15212 jrh, United States Bankruptcy
Court for the Western District of Michigan, and
not individually

PURCHASER:

BEDFORD ROAD RESTAURANT, INC.

By 
Its _____

1264769-1

EXHIBIT A
EQUIPMENT

Stafford's

RESTAURANT EQUIPMENT

Appraisal for equipment (known as Bedford Steakhouse)
22575 Bedford road
Battle Creek, MI 49017

- | | |
|---|---------------------------|
| 1. Ice Maker and ice Bin | 37. 3 large patio tables |
| 2. 2 - gas fryer's | 38. 16 patio chairs |
| 3. 42 Bar Stool's | 39. 20 vinyl table cloths |
| 4. 65 Chair's | 40. Coffee maker |
| 5. 1 Oasis machine | 41. 7 televisions |
| 6. 1/2 size cook and hold oven | 42. 1 big screen |
| 7. 8' x 16' x 8' walk-in cooler feeding back bar | 43. 4 banquet tables |
| 8. 8' x 8' x 8' walk - in freezer | 44. 8 hanging lamps |
| 9. 8' x 8' x 8' walk-in cooler | |
| 10. 48" refrigerated prep table (not to code of NFS 7) | |
| 11. 27" refrigerated prep table | |
| 12. Blodgett convection oven | |
| 13. 4 hole steam table | |
| 14. Char broiler 30" | |
| 15. 30" x 48" grill | |
| 16. Counter top 2 burner hot plate | |
| 17. 12" slicer | |
| 18. Single keg cooler | |
| 19. 2 cash register | |
| 20.. 2 microwave | |
| 21. 1 over shelf | |
| 22. 1 lot misc. Pot's, pan's, dishes, utensil's and glasses | |
| 23. 30" cocktail station | |
| 24. 24" cocktail station | |
| 25. 8' 3 well sink | |
| 26. 40' front bar | |
| 27. 16' refrigerated back bar | |
| 28. 12 - 30" x 48" tables | |
| 29. Ice tea machine | |
| 30. 4 wire shelves | |
| 31. 30" x 96" stainless steel table with galvanized leg's | |
| 32. 30" x 72" stainless steel table with galvanized leg's | |
| 33. 30" x 48" stainless steel table with galvanized leg's | |
| 34. Single door glass front cooler | |
| 35. 24" x 48" wire shelf. | |
| 36. Exhaust hood ventilation | |